

## Message Text

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46

ACTION ARA-10

INFO OCT-01 ISO-00 EB-07 COME-00 OMB-01 TRSE-00 FEAE-00

INT-05 JUSE-00 AID-05 FPC-01 OES-03 ARAE-00 L-02

CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01

SP-02 /052 W

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P R 161259Z MAR 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 8046

INFO AMEMBASSY MEXICO

C O N F I D E N T I A L CARACAS 3009

EO 11652: GDS

TAGS: BDIS OTRA US VE

SUBJ: CUSTOMS INVESTIGATION OF POSSIBLE OIL FRAUD HITS CARACAS PRESS

REF: A. STATE 33713 B. STATE 19779

1. WASHINGTON POST STORY ON POSSIBLE OIL SUPPLY FRAUD DURING ARAB BOYCOTT AND COMMENTS ON U.S. CUSTOMS ADMINISTRATION AND FEDERAL ENERGY AGENCY INVESTIGATION BY CUSTOMS ADMINISTRATION SPOKESMAN MARK MCCORMICK WERE FEATURED PROMINENTLY IN CARACAS NEWSPAPERS MARCH 17.

2. ENGLISH LANGUAGE DAILY JOURNAL AVOIDED ANY MENTION OF POSSIBLE VENEZUELAN CONNECTION IN ITS STORY. HOWEVER, BOTH EL UNIVERSAL AND EL NACIONAL INCLUDED CASES INVOLVING VENEZUELA THAT ARE UNDER INVESTIGATION. BOTH NEWSPAPERS MENTIONED CASE OF NIGERIAN OIL PURCHASED AT \$5.50 PER BARREL, BUT DOCUMENTED AS BEING OF VENEZUELAN ORIGIN WITH A VALUE OF \$10 PER BARREL. EL UNIVERSAL ALSO MENTIONS CASE OF SALE OF TEN MILLION BARRELS OF OIL AT \$12 PER BARREL TO JACKSONVILLE ELECTRIC COMPANY. ARTICLE SAYS THAT INVESTIGATING JURY TOLD THIS OIL WAS SOLD TO JACKSONVILLE ELECTRIC COMPANY BY FOREIGN BASED COMPANY (READ VENFUEL), "WHICH SUPPOSEDLY MADE AN EXCESSIVE COLLECTION OF SEVERAL EXTRA  
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DOLLARS PER BARREL FROM AN INTERIOR (U.S.) PORT." ARTICLE

ADDS THAT PETROLEUM SUPPLIED TO JACKSONVILLE ELECTRIC "AT NO  
MOMENT STOPPED IN ITS MOVEMENT TO JACKSONVILLE FROM VENEZUELA,  
WHICH WOULD SEEM TO INDICATE THAT THE FOREIGN COMPANY WAS ONLY  
A SCREEN TO INCREASE THE PRICE."

3. WITH RESPECT TO REF B, EMBASSY HAS NOW OBTAINED INFORMATION  
FROM VENEZUELAN MINISTRY OF MINES AND HYDROCARBONS WHICH VERIFIES  
WHEN THE VENEZUELAN PETROLEUM CORPORATION LOST ITS PREFERENTIAL  
ROYALTY TAX TREATMENT (JULY 1974). THIS AND OTHER ROYALTY DATA  
BEING FORWARDED TO DEPARTMENT BY AIRGRAM.  
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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**TAGS:** BDIS, OTRA, US, VE  
**To:** STATE  
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